

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0116-01
Bill No.: HB 193
Subject: Licenses - Professional; Compacts; Health Care; Health Care Professionals;
Medical Procedures and Personnel
Type: Original
Date: February 3, 2015

Bill Summary: This proposal authorizes the entering of the Emergency Medical Service personnel licensure interstate compact.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 or (Could exceed \$583,338)	\$0 or (Could exceed \$609,082)	\$0 or (Could exceed \$817,717)
Total Estimated Net Effect on General Revenue	\$0 or (Could exceed \$583,338)	\$0 or (Could exceed \$609,082)	\$0 or (Could exceed \$817,717)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Criminal Records	\$0	\$0	\$0 or \$60,874
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0 or \$60,874

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	0 or 3	0 or 3	0 or 5
Total Estimated Net Effect on FTE	0 or 3	0 or 3	0 or 5

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions for this proposal:

§ 334.1503.3(4-5) - Criminal background check requirement

(4) no later than five years after activation of the compact, requires a criminal background check of all applicants for initial licensure, including the use of the results of fingerprint or other biometric data checks compliant with the requirements of the Federal Bureau of Investigation with the exception of federal employees who have suitability determination in accordance with 731 CFR 202 and submit documentation of such as promulgated in the rules of the commission; and
(5) Complies with the rules of the commission.

Pursuant to Chapter 190.142.1, the Bureau of Emergency Medical Services (EMS) conducts criminal records checks for all applicants, including renewals. For those who have maintained residency in Missouri for the past five consecutive years, the criminal record check is completed through the Missouri Highway Patrol at a cost of \$11. For those who have not maintained residency, the criminal record check is done through a fingerprint card FBI check at a cost of \$36.50 each. To conduct a criminal background check in accordance with the requirements of HB 193, Missouri would expend \$36.50, or an additional \$25.50 per initial applicant (\$36.50 - \$11), regardless of residency status the last five years. Based on the last twelve months of criminal record checks, an estimated annual increase in costs associated with 2,767 criminal background checks is \$70,559. Additional EMS personnel would also be required in order to accommodate the processing of the required fingerprint cards for each applicant. Two (2) Senior Office Support Assistants (SOSA, \$25,572 each, annually) would be hired to meet the provisions of this requirement. For fiscal note purposes, Division of Regulation and Licensure (DRL) assumes these two positions would be hired in the final year of implementation, which could be as many as five years after the compact becomes effective.

Oversight will refer to the revenue and expenditure information provided by the Missouri State Highway Patrol in response to the fiscal note request for criminal background checks as there was a recent increase in the fees charged.

§ 334.1518.6 - Questions of conduct investigations

6. A home state's EMS authority shall investigate and take appropriate action with respect to reported conduct in a remote state as it would if such conduct had occurred within the home state. In such cases, the home state's law shall control in determining the appropriate adverse action.

ASSUMPTION (continued)

This provision of HB 193 expands the EMS' investigative authority to include investigations conducted out-of-state. While the variables of what activity constitutes "reported conduct" and what level of responsibility the investigative authorities in the remote state will have, EMS estimates that two (2) Investigators (\$37,176 each, annually) and one (1) additional SOSA (\$25,572 annually) would be required to meet the provisions of this requirement. These three positions would be hired on September 1, 2015. DRL further assumes for costs related to the two Investigators that travel costs are three times the normal fiscal note response amount (\$5,000 X 3 = \$15,000) because of the potential for significant out-of-state travel.

§ 334.1521(1) - EMS authority

334.1521. A member state's EMS authority, in addition to any other powers granted under state law, is authorized under this compact to:

(1) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses and the production of evidence. Subpoenas issued by a member state's EMS authority for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the remote state by any court of competent jurisdiction according to that court's practice and procedure in considering subpoenas issued in its own proceedings. The issuing state EMS authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses or evidence is located; and

The number of subpoenas issued under this section is unknown. It is estimated that the cost of witnesses and travel expenses associated with this provision of HB 193 will total \$50,000 annually.

§ 334.1524.5(3) - Annual assessments and fees

(3) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission and its staff, which shall be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule binding upon all member states.

It is estimated that the commission will levy an annual assessment of \$250,000 on each member state. This amount will be collected from Missouri on an annual basis.

§ 334.1527.1 - Database and reporting system

334.1527. 1. The commission shall provide for the development and maintenance of a coordinated database and reporting system containing licensure, adverse action, and significant investigatory information on all licensed individuals in member states.

ASSUMPTION (continued)

It is assumed that the commission would be responsible for the cost for development and maintenance of the system and any costs to Missouri will be paid as part of the assessment levied under Section 334.1524.5(3).

Oversight notes the DHSS presented costs assume the passage of the Emergency Medical Service personnel licensure interstate compact by 10 states during the current legislative session. However, since this is not assured, and costs will not be incurred until the compact has been passed by 10 states, Oversight will show costs as \$0 or the cost provided by DHSS. In addition, it should be noted that section 334.1503.3 provides that “no later than five years after activation of the compact” that criminal background checks of all applicants for initial licensure must be compliant with the requirements of the FBI. Therefore, costs presented as FY 2018 expenditures may occur as early as FY 2018 if the compact is passed by 10 states this year and DHSS implements the background checks immediately or as late as FY 2020 if the provisions of section 334.1503.3 are not immediately implemented.

Officials from the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** state the DHSS anticipates this legislation will require approximately 2,767 emergency medical personnel to obtain state and federal background checks each year. This requirement would take effect no later than five years after approval of the Emergency Medical Services Compact.

The charge for each background check processed is \$43.05 (\$20 for state fingerprint check + \$14.75 for the federal check + \$8.30 for the electronic fingerprint option used through a third-party vendor). Of this amount, the state retains the \$20 fee and \$2 of the federal charge of the \$14.75 for a pass thru fee (total \$22). The \$8.30 charge is paid directly to the vendor at the time of application.

Estimated Revenue FY2016 and beyond	
2,767 x \$34.75 (state/federal background check)	\$96,153
Estimated Expense FY2016 and beyond	
2,767 x \$12.75 (federal background check charge)	<u>\$35,279</u>
Net Revenue to the Criminal Records Fund	<u>\$60,874</u>

Oversight notes the DPS-MHP presented revenue and expenditures under the assumption that the interstate compact would go into effect during FY 2016. Oversight will show revenues and expenses as \$0 or the amount provided by DPS-MHP beginning with FY 2018, which is when the DHSS expects to incur the additional costs associated with background checks.

ASSUMPTION (continued)

Officials from the **Office of Attorney General (AGO)** state section 334.1524.6(2) specifies that the commission shall defend any member, officer, executive director, employee or representative of the commission in any civil action. Section 334.1533 specifies that all branches of state government in each state shall enforce the compact. Neither provision specifies whether the commission has its own counsel. If the proposal does not implicate the resources of the AGO, any potential costs arising from this proposal can be absorbed with existing resources. Otherwise, the potential costs of this proposal are unknown, but could exceed \$100,000.

Oversight notes the draft model compact language was made available in February, 2014. Section 334.1536 of the proposal provides that the compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state. It is assumed that it is possible for 10 states to adopt the language during the current legislative session. Therefore, Oversight will indicate potential AGO costs as \$0 or "Could exceed \$100,000" since the provisions of the proposal do not indicate whether the commission will have its own legal counsel or whether it will rely on the Attorneys General of member states.

Officials from the **Office of the Governor (GOV)** do not anticipate the GOV will incur added costs as a result of this proposal. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Public Safety, State Emergency Management Agency**, the **Joint Committee on Administrative Rules**, the **Missouri House of Representatives**, the **Office of Administration, Division of Purchasing and Materials Management** and the **General Services Division**, the **Office of State Courts Administrator**, the **State Auditor's Office** and the **Missouri Senate** each assume the proposal would not fiscally impact their respective agencies.

Officials from the following **ambulance districts**: Jefferson County 911 Dispatch, St. Charles County Ambulance District, Taney County Ambulance District and Valle Ambulance District did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - DHSS (§§334.1503 - 334.1527)</u>	\$0 or...	\$0 or...	\$0 or...
Personal service	(\$83,270)	(\$100,923)	(\$154,104)
Fringe benefits	(\$43,305)	(\$52,485)	(\$80,142)
Equipment and expense	(\$106,763)	(\$105,674)	(\$137,318)
Annual assessment	(\$250,000)	(\$250,000)	(\$250,000)
<u>Fingerprint fees</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$96,153)</u>
Total <u>Costs - DHSS</u>	<u>(\$483,338)</u>	<u>(\$509,082)</u>	<u>(\$717,717)</u>
FTE Change - DHSS	0 or 3 FTE	0 or 3 FTE	0 or 5 FTE
 <u>Costs - AGO (§§334.1524 and 334.1533)</u>	 \$0 or...	 \$0 or...	 \$0 or...
Legal counsel costs for interstate compact	(<u>Could exceed</u> <u>\$100,000</u>)	(<u>Could exceed</u> <u>\$100,000</u>)	(<u>Could exceed</u> <u>\$100,000</u>)
 ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	 <u>\$0 or (Could</u> <u>exceed</u> <u>\$583,338)</u>	 <u>\$0 or (Could</u> <u>exceed</u> <u>\$609,082)</u>	 <u>\$0 or (Could</u> <u>exceed</u> <u>\$817,717)</u>
 Estimated Net FTE Effect on the General Revenue Fund	 0 or 3 FTE	 0 or 3 FTE	 0 or 5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
CRIMINAL RECORDS FUND			
<u>Income - DPS-MHP</u>			
Background check fees	\$0	\$0	\$0 or \$96,153
<u>Costs - DPS-MHP</u>			
Federal background check charge	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$35,279)</u>
ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0 or \$60,874</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

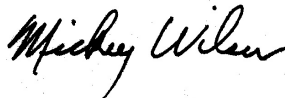
FISCAL DESCRIPTION

This proposal authorizes Missouri to become a member state of the Interstate Compact for EMS Personnel Licensure as prepared by the National Association of State EMS Officials and to adopt the provisions of authorization as specified in the proposal. The purpose of the compact is to facilitate the exchange of information between members states regarding EMS personnel licensure, adverse actions, and significant investigatory information.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety -
 Missouri State Highway Patrol
 State Emergency Management Agency
Office of the Governor
Joint Committee on Administrative Rules
Missouri House of Representatives
Office of Administration -
 Division of Purchasing and Materials Management
 General Services Division
Office of State Courts Administrator
State Auditor's Office
Missouri Senate
Office of Secretary of State



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February 3, 2015

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